

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	
EAST KENTUCKY UTILITIES,)	CASE NO. 9545-I
INC.)	

O R D E R

On September 25, 1986, the Commission issued its Order in Case No. 9545 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 6, 1989, East Kentucky Utilities, Inc. ("East Kentucky") notified the Commission that its wholesale cost of gas will be increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective March 2, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) East Kentucky's notice of February 6, 1989 set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$5,775 or 4.54 cents per Mcf.

(2) Kentucky West has filed an application for increased rates to become effective March 2, 1989 with the Federal Energy Regulatory Commission. These rates are subject to refund.

(3) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the notice period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice provided the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause. In no case, however, shall the effective date be made prior to the actual effective date of the supplier. East Kentucky included a request for a showing of good cause for 20-days' notice. The effective date will, therefore, be the actual effective date of the increase, March 2, 1989.

(4) East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9545 dated September 25, 1986 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after March 2, 1989, subject to refund.

IT IS HEREBY ORDERED that:

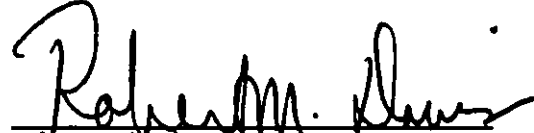
(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after March 2, 1989, subject to refund.

(2) Within 30 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of February, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9545-I DATED 2/24/89

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.3517 Per Mcf
Over 1 Mcf	\$5.5517 Per Mcf

Minimum Bill: \$8.35 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.9368/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes \$0.0152 per Dth - Gas Research Institute Funding Charge and \$.0018 Annual Charge Adjustment.